

Company Number: 5354396

GAMES-MASTERS.COM LIMITED

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 March 2009

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GAMES-MASTERS.COM LIMITED

DIRECTORS:

**J Rosenberg
H Lee**

SECRETARY:

J Rosenberg

ACCOUNTANTS:

**Keith Bridgford & Co
17 The Grove
Ilkley
LS29 9LW**

REGISTERED OFFICE:

**Sheffield Technology Park
Coopers Buildings
Arundel Street
Sheffield
S1 2NS**

GAMES-MASTERS.COM LIMITED**DIRECTORS' REPORT**

The directors submit their report and financial statements for the year ended 31 March 2009.

Principal activity

The company's principal activity is the publishing of online computer games.

Results

A summary of the results for the year's trading is given on page 4.

Directors

The directors during the year were as follows:

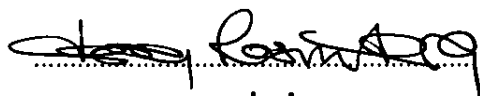
J Rosenberg

H Lee

Small Company Rules

These Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board and signed on its behalf by:



J Rosenberg
Director

9/6/09

Date of approval

GAMES-MASTERS.COM LIMITED**CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF GAMES-MASTERS.COM LIMITED**

In accordance with your instructions, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31 March 2009 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Signature: Keith Bridgford & Co Date: 10 June 2009

Keith Bridgford & Co
Chartered Accountants
17 The Grove
Ilkley
LS29 9LW

GAMES-MASTERS.COM LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 31 March 2009**

		<u>2009</u>	<u>2008</u>
		£	£
	Note		
Turnover	1	1,393,154	680,601
Cost of sales		<u>835,400</u>	<u>424,521</u>
Gross profit		557,754	256,080
Administrative expenses		467,018	299,761
Operating profit/(loss)	2	<u>90,736</u>	<u>(43,681)</u>
Interest received		8,400	5,284
Profit/(loss) on ordinary activities before & after taxation being result for the year		<u>99,136</u>	<u>(38,397)</u>

The attached notes form part of these financial statements

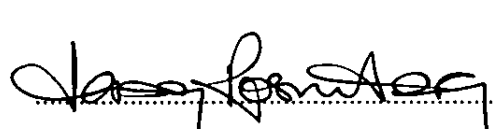
GAMES-MASTERS.COM LIMITED**BALANCE SHEET** as at 31 March 2009

		<u>2009</u>	<u>2008</u>
		£	£
	Note		
Fixed assets			
Tangible assets	4	5,175	1,460
Current assets			
Debtors	5	309,362	150,807
Cash at bank and in hand		<u>333,695</u>	<u>298,554</u>
		643,057	449,361
Creditors: amounts falling due within one year	6	<u>(222,013)</u>	<u>(123,738)</u>
Net current assets		421,044	325,623
Total assets less current liabilities		<u>426,219</u>	<u>327,083</u>
Creditors: amounts falling due after more than one year	7	(613,997)	(613,997)
Total liabilities		<u>(187,778)</u>	<u>(286,914)</u>
Capital and reserves			
Called up share capital	8	6,240	6,240
Profit and loss account	9	(194,018)	(293,154)
Shareholders' funds		<u>(187,778)</u>	<u>(286,914)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under s249(B)(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its result for the year in accordance with the requirements of s226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

These financial statements were approved by the Board of Directors and signed on its behalf by:

 J Rosenberg
 Director 9/6/09 Date

The attached notes form part of these financial statements

GAMES-MASTERS.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2009

1. Accounting Policies

Accounting convention

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment 33⅓% on cost

Turnover

Turnover represents the invoiced amount of goods and services provided, less returns and allowances, net of value added tax.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

	<u>2009</u>	<u>2008</u>
	£	£
2. Operating profit/(loss)		
This is stated after charging:		
Depreciation of tangible fixed assets	2,952	730
Loss on disposal of fixed assets	-	31,411
Directors' emoluments	<u>50,667</u>	<u>13,667</u>
3. Taxation		
UK Corporation tax	-	-

The company has tax losses of approximately £160,000 (last year: £264,000) available to utilise against future trading profits.

4. Tangible fixed assets	<u>Computer equipment</u>
Cost	£
At beginning of year	2,190
Additions	6,667
Disposals	-
At end of year	<u>8,857</u>
Depreciation	
At beginning of year	730
Charge for year	2,952
On disposals	-
At end of year	<u>3,682</u>
Net book value	
This year end	<u>5,175</u>
Last year end	1,460

GAMES-MASTERS.COM LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2009**

5. Debtors	<u>2009</u>	<u>2008</u>
	£	£
Due after more than one year		
Amounts owed by parent company	61,356	-
Due within one year		
Trade debtors	109,216	90,885
Other debtors	-	32,838
Prepayments	<u>138,790</u>	<u>27,084</u>
	<u>309,362</u>	<u>150,807</u>

	<u>2009</u>	<u>2008</u>
	£	£
6. Creditors falling due within one year		
Other creditors	58,619	36,178
Accruals	<u>163,394</u>	<u>87,560</u>
	<u>222,013</u>	<u>123,738</u>

7. Creditors: amounts falling due after more than one year	<u>2009</u>	<u>2008</u>
	£	£
Loan notes	<u>613,997</u>	<u>613,997</u>

The loan notes are interest free and have no fixed terms for repayment being repayable at the company's discretion.

8. Share capital	<u>AUTHORISED</u>		<u>ALLOTTED, CALLED UP AND FULLY PAID</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	£	£	£	£
'A' Ordinary shares of £0.01 each	<u>150,000</u>	<u>150,000</u>	<u>4,660</u>	<u>4,660</u>
'B' Ordinary shares of £0.01 each	<u>150,000</u>	<u>150,000</u>	<u>1,580</u>	<u>1,580</u>

On 1 December 2008 the entire issued share capital was acquired by Games Masters International Limited in a share for share exchange.

9. Reconciliation of reserves	Profit & loss account
	£
Balance at 1 April 2008	(293,154)
Profit for the year	<u>99,136</u>
Balance at 31 March 2009	<u>(194,018)</u>

10. Ultimate parent company

The Ultimate and immediate parent company is Games Masters International Limited, a company registered in England and Wales. Games Masters International Limited is the only company which prepares group financial statements incorporating the financial statements of this company. These group financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.

GAMES-MASTERS.COM LIMITED**OPERATING STATEMENT for the year ended 31 March 2009**

	<u>2009</u>		<u>2008</u>	
	£	£	£	£
Sales		1,393,154		680,601
Cost of sales:				
Licence fees	27,084		27,084	
Bandwidth/Hardware hosting	339,829		241,609	
Royalties	468,487		119,477	
Epin costs	-		36,351	
		<u>835,400</u>		<u>424,521</u>
		557,754		256,080
Other income:				
Grant income	-		78,152	
Interest received	8,400		5,284	
		8,400		83,436
Expenditure				
Salaries and national insurance	221,335		139,869	
Recruitment costs	4,836		18,177	
Consultancy	129,708		25,986	
Turkish office set up costs	(32,082)		32,082	
Software	-		22,084	
Travel and subsistence	55,646		42,741	
Telephone, post & stationery	7,368		2,521	
Advertising and marketing	28,043		31,174	
Rent	20,976		16,556	
Insurance	714		1,047	
Sundry expenses	-		-	
Legal & professional fees	18,975		1,996	
Accountancy charges	3,560		2,981	
Bank and credit card charges	4,987		8,558	
Depreciation	2,952		730	
Loss on disposal of fixed assets	-		31,411	
Total expenses		467,018		377,913
Profit/(loss) for year		<u>99,136</u>		<u>(38,397)</u>